



**The Commonwealth of Massachusetts**

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**DEPARTMENT OF  
TELECOMMUNICATIONS AND ENERGY**

D.T.E. 06-4

April 5, 2006

Investigation by the Department of Telecommunications and Energy to establish a permanent surcharge to recover prudently incurred costs associated with the provision of wireline Enhanced 911 services, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets at pay telephones.

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VOTE AND ORDER TO OPEN INVESTIGATION

## VOTE AND ORDER TO OPEN INVESTIGATION

### I. INTRODUCTION

In the E911 Interim Surcharge Order,<sup>1</sup> the Department of Telecommunications and Energy (“Department”) approved an interim surcharge of \$0.85 per month to recover expenses to provide wireline enhanced 911 (“E911”) service, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets for pay telephones. E911 Interim Surcharge Order at 18. The interim surcharge replaced the prior funding mechanism of directory assistance revenues which had been operating at an annual deficit since 1995.<sup>2</sup> Id. at 1 n.3.

The interim surcharge adopted in the E911 Interim Surcharge Order was based on estimated data submitted by Verizon New England Inc. d/b/a Verizon Massachusetts (“Verizon”) and the Statewide Emergency Telecommunications Board (“SETB”). As such, the Department recognized that a thorough examination of revenues and costs would be necessary to reconcile the interim surcharge with the surcharge necessary to fund the actual cost of providing E911 services and disability access programs, and to fund the deficits

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<sup>1</sup> Investigation by the Department of Telecommunications and Energy to establish a surcharge to recover prudently incurred costs associated with the provision of wireline Enhanced 911 services, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets at pay telephones, D.T.E. 03-63 - Phase I (2003) (“E911 Interim Surcharge Order”).

<sup>2</sup> The deficit under the directory assistance revenue funding mechanism was estimated, as of the end of 2002, at \$43.1 million. E911 Interim Surcharge Order at 5. The interim surcharge that replaced the directory assistance revenue funding mechanism includes an input for recovery of the accumulated deficit. Id. at 16-17.

remaining from the prior directory assistance revenue funding mechanism. Id. at 17-18. To that end, on January 6, 2006, SETB, as administrator of the Wireline Enhanced 911 Fund,<sup>3</sup> submitted to the Department cost projections and revised estimates for E911, disability access programs and deficit recovery for July 1, 2005 through December 31, 2007 (“SETB Cost Projection”). Based upon its Cost Projection, SETB states that the Fund would go into deficit in fiscal year 2007 at the \$0.85 interim surcharge level, and, therefore, SETB proposes a permanent E911 surcharge level of \$1.11, at a minimum, for effect as of July 1, 2006 (SETB Transmittal Letter at 1). The SETB Cost Projection may be viewed at the Department’s offices and on the Department’s website: <http://www.mass.gov/dte>.

## II. VOTE TO OPEN INVESTIGATION

Consistent with our findings in the E911 Interim Surcharge Order, the Department, on our own motion, hereby votes to open an investigation to review and ultimately adopt a permanent E911 surcharge. The permanent E911 surcharge will be established pursuant to Chapter 149 of the Acts of 2004, 220 C.M.R. §§ 16.00 et seq., and G.L. c. 159, § 12(d). This investigation is docketed as D.T.E. 06-4.

The Department invites all interested persons who are substantially and specifically affected by the issues under investigation to petition to intervene in this proceeding. Any person who desires to intervene in this proceeding shall submit an original and three (3) copies

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<sup>3</sup> The Wireline Enhanced 911 Fund was established to receive the revenues from the surcharge imposed by G.L. c. 6A, § 18H ½ for services associated with G.L. c. 6A, §§ 18A-18F and G.L. c. 166, §§ 14A and 15E, and collected by telecommunications companies from its subscribers. See G.L. c. 6A, § 18H ½; G.L. c. 10, § 35W ½.

of a petition for leave to intervene in this proceeding with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110, no later than the close of business on **Monday, April 24, 2006**. All persons permitted to intervene in D.T.E. 03-63 will be deemed intervenors in D.T.E 06-4, provided that a letter of intent to participate is filed with the Secretary of the Department at the above address no later than the close of business on **Monday, April 24, 2006**. Additionally, to assist the Department in establishing a permanent surcharge, the Department invites interested persons to file written comments on the SETB Cost Projection no later than close of business on **Monday, April 24, 2006**.

The Department will hold a public hearing on the SETB Cost Projection on **Wednesday, May 3, 2006 at 10:00 a.m.** at the Department's offices located at One South Station, Boston, Massachusetts 02110. The Department will hold a procedural conference in this proceeding immediately following the public hearing to establish a procedural schedule for the orderly conduct of this investigation. The Department intends for this proceeding to be conducted as an adjudicatory proceeding, as defined in G.L.c. 30A, § 1(1).

III. ORDER

Accordingly, the Department

VOTES: To open an investigation to establish a permanent surcharge to recover prudently incurred costs associated with the provision of wireline Enhanced 911 services, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets at pay telephones; and it is

ORDERED: That the Secretary of the Department shall serve a copy of this Order on all parties to D.T.E. 03-63; and it is

FURTHER ORDERED: That the Secretary of the Department shall publish the accompanying legal notice; and it is

FURTHER ORDERED: That letters of intent to participate and petitions to intervene in this investigation shall be filed with the Secretary of the Department by Monday, April 24, 2006 along with any proposed comments on the SETB Cost Projection; and it is

FURTHER ORDERED: That a public hearing and procedural conference in this proceeding will be held at the offices of the Department on Wednesday, May 3, 2006 at 10:00 a.m.

By Order of the Department,

/s/  
Judith F. Judson, Chairman

/s/  
James Connelly, Commissioner

/s/  
W. Robert Keating, Commissioner

/s/  
Paul G. Afonso, Commissioner

/s/  
Brian Paul Golden, Commissioner

## **NOTICE OF INVESTIGATION AND PUBLIC HEARING**

D.T.E. 06-4

Investigation by the Department of Telecommunications and Energy to establish a permanent surcharge to recover prudently incurred costs associated with the provision of wireline Enhanced 911 services, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets at pay telephones.

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The Department of Telecommunications and Energy ("Department") opened an investigation to establish a permanent surcharge to recover prudently incurred costs associated with the provision of wireline Enhanced 911 service, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets at pay telephones. The permanent E911 surcharge will be established pursuant to Chapter 149 of the Acts of 2004, 220 C.M.R. §§ 16.00 et seq., and G.L. c. 159, § 12(d). The E911 surcharge of \$0.85 currently appearing on retail customers' bills is an interim surcharge that was established on July 14, 2003 in D.T.E. 03-63. This proceeding to establish a permanent E911 surcharge is docketed as D.T.E. 06-4.

This investigation will reconcile the interim surcharge with the surcharge necessary to fund the actual cost of E911 services and disability access programs, and to fund deficits remaining from the prior directory assistance revenue funding mechanism. On January 6, 2006, the State Emergency Telecommunications Board ("SETB"), as administrator of the Wireline Enhanced 911 Fund, submitted to the Department cost projections and revised estimates for E911, disability access programs and deficit recovery for July 1, 2005 through December 31, 2007 ("SETB Cost Projection"). In its filing, SETB states that the Fund would go into deficit in fiscal year 2007 at the interim surcharge level and therefore SETB proposes a permanent E911 surcharge level of \$1.11, at a minimum, for effect as of July 1, 2006. The SETB Cost Projection may be viewed at the Department's offices and on the Department's website: <http://www.mass.gov/dte>.

The Department will hold a public hearing to receive comments on the SETB Cost Projection on **Wednesday, May 3, 2006, at 10:00 a.m.** at the Department's offices at One South Station, Second Floor, Boston, Massachusetts 02110. A procedural conference will follow immediately thereafter.

The Department invites all interested persons who are substantially and specifically affected by the issues under investigation to petition to intervene in this proceeding. Any person who desires to intervene in this proceeding shall submit an original and three (3) copies of a petition for leave to intervene in this proceeding with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, at the above address no later than the close of business on **Monday, April 24, 2006**. All persons permitted to intervene in D.T.E. 03-63 will be deemed intervenors in D.T.E. 06-4, provided that a letter of intent to participate is filed with the Secretary of the Department at the above address no later than the close of business on

**Monday, April 24, 2006.** Additionally, the Department invites all interested persons to submit written comments on SETB's Cost Projection no later than close of business on **Monday, April 19, 2006.**

A petition for leave to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

All written pleadings, nonproprietary comments, letters of intent or petitions to intervene must also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to [dte.efiling@state.ma.us](mailto:dte.efiling@state.ma.us) and [Tina.Chin@state.ma.us](mailto:Tina.Chin@state.ma.us); or (2) on a 3.5" floppy disk. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding, D.T.E. 06-4; (2) name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either WordPerfect, Microsoft Word, or as an Adobe-compatible PDF file. Data or spreadsheet responses should be compatible with Microsoft Excel. All comments submitted in electronic format will be posted on the Department's web site: <http://www.mass.gov/dte>.

Any person desiring further information regarding this notice should contact: Tina W. Chin, Hearing Officer, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110, tel. (617) 305-3500.

By Order of the Department,

/s/  
MARY L. COTTRELL, SECRETARY